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C O N F I D E N T I A L SECTION 01 OF 02 MANILA 002142

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STATE FOR EAP/PMBS, INR/EAP, DRL/IRF, DRL/CRA

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SUBJECT: BISHOPS LASH OUT AT PRESIDENT ARROYO

REF: A. MANILA 2103

[1](#)B. MANILA 1988

Classified By: Deputy Pol/C Joseph Novak for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: In a recent press conference, three left-leaning Catholic bishops accused President Arroyo of not doing enough to help the poor, and said they would participate in a "national day of mourning and protest" on June 12. Separately, in public testimony in the House on May 3, Archbishop Oscar Cruz claimed that many GRP officials were implicated in corruption related to "jueteng" (illegal gambling) and provided material that may implicate the president and her family. In a May 6 meeting with poloffs, Monsignor Coronel of the Catholic Bishops Conference of the Philippines (CBCP) emphasized that the three bishops and Archbishop Cruz did not speak for the Church as a whole. He insisted that most of the Philippines' 91 active bishops supported the president and her policies. The Church remains a powerful force here, to which Malacanang pays attention, and further criticism from this quarter could prove unsettling to a GRP leadership already tense about recurrent destabilization plots and rumors. As the House Speaker convenes an all-party conference May 12, soundings on the solidity of Church support -- or lack thereof -- behind the President may have an impact on their plans over the coming months. End Summary.

Hard-hitting Bishops

[1](#)2. (U) At a recent press conference, Roman Catholic bishops Deogracias Iniguez, Julio Xavier Labayen, and Antonio Tobias accused President Arroyo of pursuing economic policies that promote foreign economic interests at the expense of the country's poor. Bishop Labayen warned the Arroyo administration that "time is running out and no force can stop the coming deluge as the pent-up emotions of our poor suffering people (are) about to explode." The three bishops issued their statements in conjunction with Kilusang Makabansang Ekonomiya (KME), a left-leaning non-governmental organization that promotes economic reforms. At the press conference, KME representatives also criticized the Arroyo administration for rising fuel prices, water and power rates, as well as tax increases aimed at reducing the Philippines' debt burden. The three bishops threw their support behind the KME's call for a "national day of mourning and protest" on June 12 to galvanize opponents of the administration. A KME representative subsequently claimed to the press that five other bishops supported the call for the president to change her policies, but did not want their names made public.

[1](#)3. (C) In a May 6 meeting with poloff, Bishop Iniguez reiterated many of the same points. Iniguez, who is also the press spokesman of the CBCP, noted that he had spoken on his own behalf and not as a representative of the CBCP. He remarked, however, that bishops had "a right, even an obligation to speak out on moral issues." He added that bishops had spoken out in opposition to then-president Estrada and would do so against Arroyo when they thought she was pursuing the wrong policies. Poloff reiterated that the U.S. and the international community firmly supported democracy and stability in the Philippines, and would not accept any form of extra-constitutional action.

An Archbishop Joins the Fray

[1](#)4. (U) Separately, President Arroyo and her administration came under fire from a well-known Catholic archbishop for not cracking down on "jueteng," a form of illegal gambling (septel). On May 3, the Archbishop -- a long-standing crusader against jueteng -- testified before the House of Representatives' Committee on Public Order and Safety, and presented to the committee documents that he said contained information on his charges, including material that may implicate the president and members of her family. Archbishop Cruz testified that the jueteng problem had become considerably worse under the Arroyo administration, growing into a multi-billion peso industry that involved huge payoffs. Cruz's appearance before Congress brought him face

to face with Congressman Mikey Arroyo, the president's son. In a heated exchange, the younger Arroyo demanded that the Archbishop provide evidence to substantiate his charges. Archbishop Cruz responded that -- by coming forward -- he hoped that the committee would investigate his claims. He did not repeat charges that he has made in public before that the First Gentleman as well Mikey Arroyo and GMA's brother-in-law, Congressman Ignacio "Iggy" Arroyo, were directly involved in jueteng-related corruption. Archbishop Cruz reportedly called Mikey Arroyo "a good man" at the committee hearing.

15. (C) In a May 4 meeting with poloff, however, Archbishop Cruz repeated the claim against the Arroyo trio, asserting that he had "multiple sources" that linked the first family to jueteng profits. He also implicated others, including high-level officials in the Philippine National Police (PNP) hierarchy, General Hermogenes Ebdane (former PNP chief and the current Secretary of Public Works), retired police official Eduardo Martillano, and Senator Manuel "Lito" Lapid.

In addition, Archbishop Cruz provided poloff with two documents on jueteng (which he had provided to the House committee). The first document listed provinces with monthly jueteng collection amounts and a list of "operators," including several provincial governors and local politicians (many of these officials were from Pampanga, the home province of the president). The second document outlined the Arroyo family's alleged ties to central Luzon politicians and others allegedly involved in jueteng, estimates on the amounts of money collected, and who gets it. The Archbishop said the information in the documents is based on information he collected from his network of clergymen in the region and from other sources.

Church not taking a stand

16. (C) In a May 6 meeting with poloffs, Monsignor Hernando Coronel, the General Secretary of the CBCP, denied that the three bishops or Archbishop Cruz spoke for the Church as a whole. He said most of the Philippines' 91 active bishops supported the president and her policies. He said the three bishops were respected members of the hierarchy, but had always been among those who "leaned left" and considered themselves "pro-poor." He said that, in upcoming meetings, the CBCP would discuss how to deal with the three bishops' statements, although he admitted that the CBCP had no ability to discipline its members, apart from advising them more closely to hew to CBCP policies, which generally take a nuanced approach to politics. Msgr. Coronel said it was possible that Apostolic Nuncio to the Philippines Antonio Franco might take the matter of the bishops' statements up with the Vatican. Msgr. Coronel added that the statements by the three bishops might be an effort to influence the upcoming election for CBCP chief. (Note: Incumbent president, Archbishop Fernando Capalla, is not running for re-election after serving one two-year term, which is scheduled to end in June. end note)

Comment

17. (C) The Church remains a powerful force in this country, notably in its opposition to legalizing jueteng as well as to population control. Many observers predict that other senior bishops may soon begin to voice public criticisms of the President, which they believe will further weaken her political standing. In light of a recent "destabilization" effort (ref b), such a trend would be of special concern to the devout President and her advisers. However, the opposition remains extremely divided, but a push from the Church to oppose Arroyo could change this dynamic. House Speaker Jose De Venecia will convene a meeting of the secretaries general of all political parties on May 12, with

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a hope to organize a larger unity gathering soon. Soundings of the Church's support for GMA -- or lack thereof -- will likely be a matter of serious corridor discussion as they plot their course over the months ahead.

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